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TAGS: [PREF](#) [PREL](#) [KPAL](#) [KWBG](#) [JO](#) [UNRWA](#)

SUBJECT: UNRWA FUNDRAISING STRATEGY

REF: A. STATE 29074

[B](#). WARD/POLASCHIK E-MAIL OF 2/9/04 (NOTAL)

[1](#)1. (SBU) Summary and comment: Refcoord met with UNRWA External Relations Officers February 11 to review UNRWA fundraising strategy. Noting that UNRWA expected a decreased response to its current emergency appeal, they said UNRWA also required increased funds for its General Fund programs. UNRWA fundraising strategy centers on outreach to 1) nontraditional donors such as corporations, regional governments and newly formed national associations; 2) Arab states and multilateral organizations; and 3) minor donors, particularly through the special Geneva conference planned for June 2004. Channeling large, one-time Arab contributions to UNRWA's emergency programs into support for UNRWA's regular programs constitutes a significant political challenge for UNRWA. UNRWA is hopeful that several ongoing and planned external reviews of UNRWA programs (including by the U.S.) will reaffirm traditional donors' support for the agency and result in increased contributions. While UNRWA's fundraising goals are not new, External Relations Director Whitley has made significant progress in implementing ideas that have been around for years. Whether these ideas will result in new funds remains to be seen. End summary and comment.

[1](#)2. (U) In response to concerns over decreasing donor support for UNRWA's emergency programs (ref a), refcoord met with UNRWA External Relations Officers Andrew Whitley and Emmy Takahashi on February 11 to review the agency's fundraising strategy. Whitley confirmed that UNRWA expected donor response to the emergency appeal to fall below levels received in 2003. UNRWA does not expect the U.S. and the U.K. in 2004 to match the "extremely generous" contributions they made to UNRWA's 2003 emergency appeals, while traditionally strong medium-sized donors such as the Netherlands, France and Spain are not expected to make any contribution to the 2004 emergency appeal. Whitley attributed the overall decrease in funds to donor fatigue and competition for funds from Iraq reconstruction programs. Whitley commented that UNRWA also requires a deeper donor base for its General Fund programs in order to compensate for years of chronic underfunding. Noting that that UNRWA finished 2003 in a relatively strong financial position due only to exchange rate gains from the relatively weak U.S. dollar, Whitley said that UNRWA could not count on such gains to last indefinitely and therefore needs to attract new support for its General Fund.

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Outreach to Non-Traditional Donors  
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[1](#)3. (U) According to Whitley, UNRWA's top fundraising priority is to expand beyond its traditional donor base of developed countries, reaching out to corporations, regional and municipal governments, other UN agencies and newly formed national support associations, along the lines of "USA for UNHCR." UNRWA is opening such associations in the U.K., Sweden, Spain, Japan and the United States -- with the "Friends of UNRWA USA" association due to complete its formal registration during the week of February 16. Whitley acknowledged that UNRWA did not have a good track record of corporate fundraising in the past (a phenomenon he attributed to corporate anxieties about Palestinian politics) but said he is working to change that record. Nestle, for example, just donated a significant quantity of powdered milk for distribution among UNRWA's special hardship cases. UNRWA hopes to gain other in-kind contributions from UN agencies, working with UNICEF on children's programs and ILO on vocational training programs. While Whitley agreed that increased cooperation with UN agencies would not increase UNRWA's cash-flow, he hopes that it could open doors to other funding resources or channels of cooperation. UNRWA has added a new full-time international staff position to its External Relations Department (funded by the UN's central administrative budget) to work solely on nontraditional donors.

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Outreach to Arab States and Multilateral Organizations  
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14. (SBU) In recent years, UNRWA has received significant contributions from Arab donors in response to emergency needs in the West Bank and Gaza. The UAE Red Crescent Society's pledge of USD 27 million to rebuild Jenin refugee camp is among the largest of these contributions and, according to UNRWA officials, is described by Red Crescent Officials as a personal gift of President Sheikh Zaid. Whitley told refcoord that the Saudi government plans to make USD 22.5 million available through the Islamic Development Bank to rebuild 950 housing units in Rafah, a pledge made during Palestinian Prime Minister Abu Ala'a's trip to Saudi Arabia. Palestinian Authority sources told Whitley that the Saudis had not yet determined which agency (UNRWA or PA) should receive the funds; UNRWA hopes to direct the funds toward the agency's emergency appeal.

15. (SBU) UNRWA's challenge, according to Whitley, is to transform these one-time grants under the emergency appeal into lasting financial relationships that can address the agency's long-term capital needs. Arab states and regional organizations traditionally have been reluctant to contribute to UNRWA's General Fund programs, arguing that it is the responsibility of western, developed countries to meet the needs of Palestinian refugees. Whitley hopes that through greater involvement in UNRWA's emergency programs, Arab states, charities and multilateral organizations will realize that improvements in Palestinian refugees' basic living conditions do not constitute "resettlement" or otherwise diminish their political rights under the relevant UN resolutions. UNRWA Commissioner General Peter Hansen plans to make a trip to the Gulf in the near future, a trip that was initially planned for February 2004 but postponed due to scheduling difficulties. The External Relations Department has a new Amman-based post (funded by the Swiss Government) that is dedicated to Arab governments and organizations.

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Outreach to Minor Donors  
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15. (U) UNRWA plans also to improve relations with long-term minor donors (those who give less than USD one million per year), in hopes of convincing them to give more funds to the agency. Whitley said that UNRWA's special meeting in Geneva (planned for June 2004) is a key part of this effort, as it will give minor donors a greater understanding both of UNRWA's programs and its needs. UNRWA already has started including minor donors in events in the field, such as the launch of the current emergency appeal and a February 10 food aid meeting.

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Confidence Building Measures for Traditional Donors?  
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16. (U) Whitley hopes that several external reviews of UNRWA programs, planned for the next six months, will serve as a "seal of approval" for the agency's operations and convince traditional large donors to increase their already generous contributions. ECHO plans a technical audit of UNRWA's emergency programs from March 8-26, looking both at financial mechanisms and the impact of UNRWA programs on beneficiaries. The UK's DFID, with political support from the EC, Canada, Switzerland and the U.S., plans to commission a separate review of the agency's general fund operations that is slated to last from April until June. Finally, South African government auditors are conducting UN headquarters' biannual review of UNRWA programs, due to be completed in July. Whitley welcomed refcoord's statement that the Department also plans a review of UNRWA's emergency programs this spring (ref b) and suggested that the U.S. review could build on findings made by other donors. (Comment: ECHO's planned review seems particularly relevant to our concerns; refcoord will contact the ECHO representative for further information.)

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Comment  
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17. (SBU) While UNRWA officials have been expressing the same fundraising goals for the last few years, Whitley has brought a new vigor to UNRWA's efforts and actually implemented ideas that have been under discussion for a number of years. Whether these efforts will result in increased contributions remains to be seen. We will continue to monitor this issue.  
GNEHM